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**PRESIDENT'S ADDRESS,  
AMERICAN FARM MANAGEMENT ASSOCIATION,  
BALTIMORE, MD., JANUARY 8, 1919.**

G. A. BILLINGS,  
OFFICE OF FARM MANAGEMENT.

The unusual demand for food products and the scarcity of farm labor since the war began have given rise to conditions which demand greater concentration of effort on farm management problems. These problems affect the community, the state and the country as a whole and are in a measure sociological; nevertheless, since they bear a close relation to production and to the individual farm, the basic unit of production, they are of vital importance to the economic management of the farm.

There has been no period in the history of this country when economic conditions have changed so rapidly, requiring the most careful thought concerning the organization of farms of different types to meet present day needs, and the changes which may take place after the war; the policy of price fixing of farm products and its bearing on profitable production as compared with the fundamental law of supply and demand; the mobilization of farm labor to produce the supply of food needed; and many other important questions. The cost of producing milk in large dairy regions and the cost of producing wheat as the basis for fixing the minimum price of wheat to the farmers, illustrate the kind of information which has more recently been demanded. The requests for such information point out conclusively that the results from the investigation of farm management problems by state and federal departments should be tabulated, summarized and held in readiness for such requests. Moreover, this information should be put into such shape that it may be given to the farmer by extension workers as suggestions for adjusting his system of farming to meet these changing conditions.

In normal times the ratio between food production and the increase in population is quite constant. Statistics show that during the last three decades there has been a slight increase per capita in the production of wheat and corn, due in part to the cultivation of more land, but also to more intensive methods of farming. Under such

conditions the demand for greater production has not required serious attention. Farmers have adjusted their business to meet slight changes in economic conditions. The work in farm management has been, mainly, to study the organization of farms and the farm practice in agricultural regions, in order to discover the relationship between farm enterprises and to determine what factors have a direct bearing on net incomes. The influence of such studies should be to induce the farmer, whose farm is not producing profitably, to adopt those practices which will increase his income. This work has had a tendency to raise the average production and take care of the increase in population.

But the past three years have been far from normal. We were called upon suddenly to feed not only our own people but the people of the allied countries and there is little doubt but that the present rate of production must be continued for some time after peace is declared. All the European warring nations will need food products and it appears evident that it will be some time before those countries will be able to produce their own supply. Conditions in these countries seem to indicate the depletion of breeding stock and there may be a strong demand for this class of animals. The reconstruction period after the war will create many problems for farm economists, such as the question of land settlement, the adjusting of cropping systems and other problems in farm organization.

*Increasing the Nation's Food Supply.*—The situation in relation to the food supply has been not so much economic as nutritional, that is, it has been a question of systems of production to feed the people rather than systems arranged purely for the sake of gain. No more effective work can be continued than the presentation of facts calling attention to the relative value of foods produced on an acre, with suggestions in farm practice that will increase profitably, if possible, those products of greater nutritional value.

*Relation of the Labor Supply to Food Production.*—In view of the depletion of the country's food supply and the possibility of a continued demand for increased crop production, farm management men should devote special attention to methods of adjusting the farm plan to give maximum production with the greatest efficiency in the use of labor and machinery. The scarcity of skilled labor has been the principal limiting factor in production and this factor will check the intensity of farming. The use of tractors in plowing and the preparation of soil for seeding may enable the farmer to get his crops planted at the proper time, though possibly this may not be much of

a factor in reducing costs. A saving of man power will likewise result from using four, six or more horses with larger machinery. Any line of work that will demonstrate how production may be maintained with less man power is most important at this time, otherwise there is great danger of land which might be put into wheat, rye or other food crops being seeded down and a more extensive type of farming adopted.

It is essential to have information concerning the amount of labor required for farm operations and its distribution. These data are fundamental in working out cropping systems, particularly in determining when and how much labor is required for each month in the season. It will show in advance what regular labor is necessary and indicate when extra help is needed. If it is impossible to obtain extra help at these times, it may be possible to introduce some labor saving machinery or the farmer may coöperate with neighbors in exchange of help. If this difficulty is anticipated and the amount of labor required for different operations is known, the difficulty may be obviated by readjusting the crop acreages and the introduction of supplementary crops, which will maintain a more uniform labor requirement. It is in the solution of problems such as these that farm management men can be most helpful.

The economy in conducting farm operations is also influenced by the location of farm buildings and the shape and arrangement of the fields. This is not so noticeable in the west where the farms are bounded by section and quarter-section lines, but it especially applies to eastern regions where the farms are laid out in small irregular fields which require delay in handling machinery and which adds to the expense of operation. The rearrangement of farm areas, making larger and more uniformly sized fields which can be more easily handled in rotation, would simplify the handling of machinery, save much time, and reduce the cost of production. Such work would attract the attention of farmers and be appreciated by them.

*Standards Needed in Getting Cost of Production.*—The importance of adopting, as far as possible, standards in methods and agreements as to the elements in production cost studies has been demonstrated by the greatly increased interest in this subject due to price fixing. Many agencies have been at work on these studies during the past year and such results as have come to light vary greatly in method of presentation as well as the elements included in determining cost. Sometimes overhead or indirect costs are included, and at other times not at all, in spite of the fact that every farm must bear in labor cost

alone a burden of indirect expense equal sometimes to one-third of the cost of all the labor performed. These same discrepancies exist as to other elements such as machine cost, supervision, building costs, etc.

Sometimes particular interests affecting the point of view influence the interpretation of inter-relationships in production cost-finding. One group insists that all feedable crops produced and fed should be charged to live stock at cost of production. On the other hand many writers, including those of the experiment stations and the United States Department of Agriculture believe market value at the farm is the only safe, practical and correct value to use.

The subject of cost production presents greater difficulties in certain of its aspects than almost any other branch of accounting science because of the many interrelations between farm enterprises. For example, certain equipment is used in preparing the ground, cultivation and sometimes harvesting of more than one crop. When land is prepared for oats or wheat, the land is also prepared for clover and timothy which follows. Likewise, in some regions, clover and timothy is seeded at the last cultivation of corn. Corn, oats and wheat are sometimes combined with live stock production. The raising of pure bred cattle and milk production are very closely related and the costs are hard to separate were it not for an established rule among farm accountants that in pure bred stock production, milk is a by-product and the cost of feed in animal production is not chargeable to milk.

*Importance of Studying Farm Practice.*—Crop yields and production per animal are important factors in profitable farming; therefore, any practice that will increase crop yields and production per animal will be not only of economic interest but will increase our food supply. Experiment station results point out clearly methods for increasing production, but these conclusions may be confined to certain types of soil. Just as important results have been worked out by farmers under much more widely varying conditions, hence, the study of farm practice should be an important field of work. Farm management surveys may help to analyze economic problems, but the story of how soils have been made productive through systems of rotations with clover, alfalfa, soy beans or other legumes and the methods practiced in the use of cover crops, manure, lime and fertilizers are inspiring, full of human interest and will help to interpret the figures obtained from surveys. Farm management surveys provide a basis for analyzing systems of farm organization and the results from certain operations. Farm practice studies, on the other hand, will show

the methods employed and why certain results are obtained. It gives additional information necessary to work out a complete farm plan. There is an unlimited field of work of this sort which will go far towards developing standards for farm operations.

*Coöperative Investigations.*—Progress in the study of economic problems will develop more rapidly and the results of investigations will be applied more successfully by the most earnest coöperation between the United States Department of Agriculture and state agricultural institutions; between the investigator or demonstrator and the farmer. The state institution is restricted in territory while the federal department can study regions which may include several states.

There is a great amount of data which have been obtained through surveys and which would make an interesting field of study if these data could be assembled and correlated. Instead of dealing with a few hundred or less, there might be several thousand records, which when assorted, would give much larger groups and a basis for more accurate conclusions. It would give an opportunity for studying selected types of farming, the profitableness of different combinations of enterprises and a study of many other problems heretofore impossible.

The study of important problems of a region and an outline of extension work which will encourage the confidence and coöperation of farmers, requires a person of exceptional experience and ability. First of all he should have a general knowledge of the organization of different types of farms and be familiar with soil conditions and farm practice. But what is of equal or more importance is that the person should have had experience in farm management investigations so as to determine the problems which affect successful practice.

#### HEALTH.

"Much has been done to improve the health conditions in cities, but little has been done in the country. When a city laborer is injured the ambulance takes him to a hospital and does not hold him up at the door while his pockets are searched for the necessary coin. When a farm worker is injured a telephone call is sent for the doctor. The doctor may reply, as many of the doctors are doing in the community where I live, that he does not practice outside the city limits. To make country calls in all kinds of weather is not a cheap or pleasant thing to do. How can good medical attention be brought to the country when the cost of going to the city patient is so much less and when the city patient is able to pay so much more? Hospitals, nurses and doctors must be available for farmers if rural health is to keep up with city progress.

"More important than the cure of disease is its prevention. Sanitary conditions on farms are none too good. Part of this can be remedied by education and part by allowing more money to reach the farms."

G. F. WARREN.